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Contact: Dale A. Carlson  
415/396-9117

## **ANNUAL AUDIT OF STEM CELL AGENCY COMPLETE**

### **CIRM Again Receives Sound Marks for Fiscal Operations**

SAN FRANCISCO, March 1, 2007 – The California Institute for Regenerative Medicine (CIRM) today received the annual audit of its financial statements, prepared by an independent certified public accounting firm, as required by the California Stem Cell Research and Cures Act (Proposition 71). The statements cover the fiscal year that ended June 30, 2006.

The firm, Macias Gini & O'Connell LLP, provided the CIRM an unqualified opinion, meaning that the Institute's financial statements "present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CIRM..."

"We are pleased with the independent auditor's report," said Lorraine B. Hoffman, CIRM Chief Finance and Administrative Officer. "Macias Gini & O'Connell examined our accounting practices and internal controls. Our financial practices are consistent with those of other state agencies."

In a separate report, the auditor identified several opportunities where the CIRM could strengthen internal controls and operating efficiency. Some are related to practices of the State Controller's Office, which acts as the Institute's bookkeeper; others are wholly within the province of the CIRM. Per the auditor's recommendation, for example, members of the CIRM governing board are now required to sign annual statements acknowledging review and receipt of the Institute's conflict of interest policies. All the Macias Gini & O'Connell recommendations have been accepted by CIRM management.

Both reports have been forwarded to the State Controller for review, again pursuant to the requirements of Proposition 71. The audit and Controller's review report will be presented to the Citizens Financial Accountability and Oversight Committee, which is required to issue a final report with recommendations for improving CIRM's financial practices and performance.

The reports from Macias Gini & O'Connell are available at [www.cirm.ca.gov](http://www.cirm.ca.gov).

### **About CIRM**

Governed by the ICOC, CIRM was established in 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Initiative. The statewide ballot measure, which provided \$3 billion in funding for stem cell research at California universities and research institutions, was approved by California voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities,

and other vital research opportunities. For more information, please visit [www.cirm.ca.gov](http://www.cirm.ca.gov).